



After Scotia Mine Disaster  
Violations Persist

# LIBERATION NEWS SERVICE

#832 November 24, 1976

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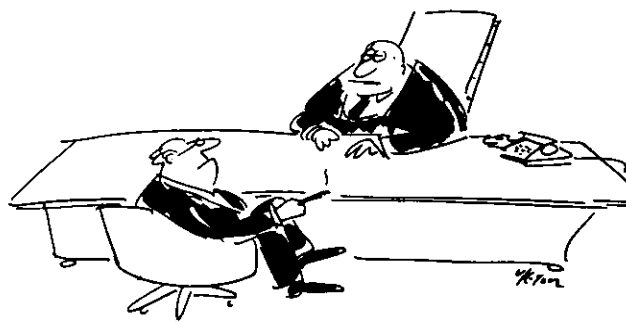
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"Before God made profits, he made production and before production he made  
capital. So be it."

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## COLLECTIVE NOTES

We are still getting mail addressed to  
our old office. If your editorial department  
is separate from your circulation department,  
and circulation doesn't know that we moved,  
PLEASE TELL THEM.

Our new address is: 17 W. 17 Street,  
New York, New York 10011. We are no longer  
at 160 Claremont Avenue.

\* \* \*

As this is the last week of the month,  
we are publishing one packet this week. The  
next packet you receive will be dated December 1.

CANADA STRIKE continued from page 4

CIO has not calling a second and third general  
strike, until the government ended its program  
of controls.

The general strike represented the greatest  
opportunity in years for a concerted campaign  
against the government's business-oriented  
economic policy, and the trade union leadership  
seems to have stopped it short. Considerable  
momentum has been lost

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IF YOU ARE MISSING A PAGE OR GET A BADLY PRINTED GRAPHIC, LET US KNOW AND WE'LL SEND YOU ANOTHER SOON

(See packets 774 & 777 for background.)

## AT SCOTIA MINE: VICTIMS REMOVED NINE MONTHS AFTER FATAL EXPLOSION

NEW YORK, INS--Eight months after two explosions at the Scotia Mine killed 26 people, numerous bodies are still to be found at the Eastern Kentucky mine and mine owners have not been prosecuted. Many of the violations at Scotia are violations that may have caused the initial explosion last March, according to an article by William Bradford Huie and Bill Chapman, in the November 24 issue of LNS.

According to reports on a recent memo from Attorney General Edward Levi to UMWA President John J. Murkin, in which he admitted that mine operators in Eastern Kentucky have become "effectively insulated" from prosecution under the Mine Safety and Health Act, Levi reported, have failed to set trial schedules for any civil charges of mine safety violations brought against mine operators.

Meanwhile, the removal November 19 of eleven bodies from the Scotia mine, and the subsequent funeral, captured national TV news attention, minus any information on current safety conditions at the mine. The eleven men were killed March 11 in the course of two methane gas explosions at the Scotia mine, owned by the Blue Diamond Coal Company. They had entered the mine to investigate a similar explosion two days earlier that took 15 lives.

After the second explosion, the mine was immediately sealed with the bodies inside. Officials said it was too dangerous to try to recover the bodies then. The recovery mission finally began July 14 and took more than four months.

Many believe that the bodies could have been recovered faster, but that the company chose a long-term over shorter ones because it was the best way to get the mine ready to resume operation.

It was our opinion that these bodies could have been recovered in a week," said Congress member Carl Perkins, who waited at the mine portal with the families during the recovery. Perkins laid blame for the 26 deaths on the laxity of the Federal Mine Enforcement and Safety Administration (MESA).

### Company & Govt. Cover-Up?

During the removal of the bodies, company and Federal mine inspectors tried to maintain top security, locking the gates to the mine and trying to keep reporters away. Although investigators have been working to find the cause of the second explosion, Bill Bishop, a reporter for the Whitesburg, Kentucky Mountain Eagle, told LNS that MESA officials have already reported false information. "Of the 11 men down there, eight didn't die instantly," the MESA officials reported after recovering the bodies," he explained. "According to the funeral director which bagged the bodies, eight of the men were in some stage of getting their self-rescuers on, and one even had it in his mouth."

"I don't know what that means, why they said that they had died instantly," Bishop continued. "Unless they didn't want people criticizing them for waiting 12 hours before they sent in another rescue team."

Bishop also pointed out that no autopsies were ordered on the bodies, without which cause of death cannot be determined.

"We'll probably never know what happened, what caused that explosion," one miner from nearby Cumberland Kentucky, told LNS. "Because the ones who are investigating it, the company and the government, have stock in a cover-up."

"Twenty-six people were murdered," he continued, "and what's important is that they can get away with it. They can kill 26 people, keep people from ever knowing why it happened, and not even get prosecuted."

### Mine Still Unsafe

Since 1969, the Scotia Mine had been issued over 1200 MESA citations for serious safety violations. The mine was closed fifty-seven times for noncompliance with safety regulations and on 21 occasions inspectors said there was "imminent danger" to those working in the mine.

The night before the first explosion, Federal mine inspectors had cited the mine for three safety violations, among these unsafe ventilation and dangerously high methane levels--for which most miners blame the resulting explosion.

The Scotia Mine consists of 3 large mines at different depths--the deepest one being the one where the fatal explosions occurred. The two upper mines have remained in operation while the lower one was sealed.

Early last month, a "blitz" inspection of the upper mines, several inspectors arriving at once unannounced, found 35 safety violations, some of them involving possibly explosive conditions. One violation, a faulty roof, was considered an "imminent danger" and the mine area was closed until the condition was corrected.

As in the large majority of mines in Eastern Kentucky, Scotia workers are not members of the United Mine Workers Union. The company-controlled Scotia Employees Association made no effort to fight for safety controls in the last contract, which was negotiated in July, only three months after the explosions.

What they did get was a \$5 a day raise each for the next three years. Right now, the wages at Scotia are higher than most union mines in the area.

"There is some discontent--people who feel they've been sold out by the union because of no safety benefits," said Bill Bishop.

"But people need work. So even though it's dangerous, they're not having any trouble getting people."

more..

(See photo to go with this article)

## NEW YORKERS RESPOND TO HOUSING GROUP STREET CAMPAIGN: "THE BANKS TAKE HALF OF YOUR RENT!"

NEW YORK (LNS)--"This is a very good idea -- it should've happened a long time ago. I know it's true, I live it every day," said a middle-aged man in work clothes standing in front of the Bowery Savings Bank on a busy Friday noontime in New York City.

Before him stood a big sign: "IF THE BANKS WERE OUT OF THE PICTURE, YOUR RENT OR MORTGAGE COULD BE CUT IN HALF!" Nearby, a handful of people from a city-wide housing group called Homefront passed out leaflets November 19 explaining just how the banks profit from housing.

"The banks didn't build your house. They didn't lay the bricks or provide the material needed to build," the leaflet explained in Spanish and English. "They weren't the laborers, carpenters, or architects. Yet the banks take half of your rent 'off the top'..."

"If your rent is \$150 a month, \$75 of that goes to banks to pay off the loan; with interest on the money borrowed to build or buy your apartment house.

"If you own your own home, one half of your monthly mortgage payment goes to the bank to pay off the interest on the loan you took to buy your house.

"Housing must be built for the needs of people, not for the profits of banks and landlords," the Homefront leaflet concluded. "Public financing of housing under tenant control is the answer."

Many passersby stopped to read the Homefront sign, and eagerly signed a petition to the Mayor which attacks the "stranglehold of banks and landlords on the city and our lives" and demands new housing built "directly with city revenues."

Older people, whose fixed incomes are particularly vulnerable to the high cost of housing in the city, were among the most interested in Homefront's display.

"I live in a rent controlled building," a 79-year old man told an LNS reporter. "Thirty years ago it was \$52 a month. Today it's \$158.20 a month. How do they call that controls? And if you don't like it, there's no place to move. Either you pay or go on welfare."

When asked why Homefront chose to set up in front of the Bowery Savings Bank, one leafleter explained that "Bowery is the major mortgage underwriter in the city." He went on to say that the group is planning similar actions at different banks all over the city, in conjunction with community and local housing organizations. In this way, Homefront hopes to encourage people on the street to get involved with their community organizations on this issue.

"It's not generally understood how much the banks are part of the housing crisis," said the Homefront member. "People think that the landlord is the only problem. So this is an educational campaign. Homefront is a socialist group -- we think that the housing problem will only be solved by socialism. But we know that's a long range goal. This campaign is only one step towards it."

Some people passing by the Homefront display

whom LNS spoke to were demoralized. "I suppose it's true," said one man, "the banks control all the money and we need more housing, but what are you going to do?"

"Most people really do agree that housing is a basic need," a Homefront member said later. "The problem is getting people moving."

One very old man with a thick European accent gave his opinion on the subject after signing the petition. "I came here eight years ago and this country was great. Now it is lousy. Why? Because of people with money," he said, thrusting an arm toward the Bowery bank. "People are like animals. We have to bark to get something."

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(For more information about Homefront, write to them at P.O. Box 269 Peter Stuyvesant Station, New York, N.Y. 10009.)

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## CORPORATIONS LEARN HOW TO KEEP THE UNIONS OUT

NEW YORK (LNS)--Corporate leaders from upstate New York businesses paid \$525 a head to attend a November conference in Rochester on how to keep unions out of their plants.

"They are teaching illegal and despicable tactics for preventing working people from joining a union, which is a worker's right," commented Eugene Clancy, a member of the Center for United Labor Action, which picketed the conference along with several union locals.

Discretely titled "Strategies for Preserving Non-Union Status," the day-long session provided "a no holds barred look at the harsh realities of the unionization drive," according to its promotional brochure.

Instruction in how to "halt card signing," use "election gimmicks," and "discharge for union activity" were also promised to conference participants in the advertising pamphlet. Discharging employees for union activity is forbidden by law.

The estimated 200 executives who attended the conference, held under tight security, refused to discuss any aspect of the conference, including the instruction in potentially illegal tactics.

Similar conferences have been held previously in San Francisco, Pittsburgh and Hartford. According to the Rochester Patriot, union leaders on the picket line thought that conferences of this type are becoming increasingly popular as times get harder.

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(Thanks to the Rochester Patriot for this information.)

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## NEWS -- LNS NEEDS YOURS!!

Write it down, call it in, capture it on film. But whatever you do, don't forget to tell LNS about news in your community.

NEWS ANALYSIS

WHY THE CANADIAN GENERAL STRIKE --  
LABOR, GOVERNMENT SHOWDOWN?

by Colin Gribbons

OTTAWA (LNS)--A month after a million workers gave up their jobs to protest the Canadian government's wage and price controls, labor and government appear to be headed for a showdown over the future direction of the Canadian economy.

Statements by Prime Minister Trudeau and other government spokespeople have made it clear an attack on labor is underway. And the Canadian Labor Congress (CLC), the trade union central which organized last month's general strike, has said just as clearly that labor wants a significant voice in planning the economic future of the country.

The October 14 Day of Protest by Canadian workers showed the depth and breadth of working class opposition to the government's controls program, which has the effect of controlling wages while leaving prices and profits effectively unchecked.

The establishment media was quick to call the protest a flop, and the government has tried to play down its significance, but the number of people who showed off the job coincided almost exactly with the CLC's predictions. But the CLC has done nothing to build on the rank and file militancy expressed during the one-day walkout.

Government Planning Aids Business

The government, which launched its three year Anti-Inflation (wage control) Program in 1975 continues to mount a thinly-disguised offensive against labor. The government has made it clear that once wage controls are lifted in 1978, new measures will be taken to achieve the same goals. Canadian Minister of Labor John Munro announced in an October 28 speech that the government has plans to restrict collective bargaining by establishing "standard" wage settlements through a "collective bargaining information centre." And the government, according to the Minister of Labor, will develop a "voluntary code of good industrial relations practices," which would provide a "manual of good practices in all personnel-related issues."

The Liberal Party government, having almost completely lost what working class support it had, is scrambling to create a good investment climate for business. This is the focus of its overtly pro-business "planning," and part of that focus is to ensure that cheap labor will attract industry.

The government admits these plans will mean high unemployment until at least 1980. Unemployment in Canada, now at 7.1%, is at its highest level since the 1930's.

At the same time, the government is cutting back on social services, including unemployment insurance funds. Legislative changes in the current

session of Parliament are expected to make unemployment insurance harder to get and will limit the length of the payments.

CLC Strategy

The CLC's general strike in light of the government's anti-labor offensive, was a significant action. It showed the government that labor is willing and able to shut down key sectors of the economy in order to protect its rights.

The CLC is demanding removal of wage controls, and wants to see a Council for Social and Economic Planning established, with representatives from labor, business and government. One of the Council's major tasks, according to the CLC, would be to "redress the present distribution of income in Canada." This "Tripartist" plan has been criticized by the left because labor's demands could not be met in such a coalition, and by the Conservative Party because it is seen as a subversion of traditional parliamentary powers.

The CLC also wants the establishment of a Labor Market Board, which would control investment and channel it where it is needed to reduce the country's high unemployment.

The next step in the CLC's campaign, although it has not been officially announced, will undoubtedly be a political campaign against the Trudeau government. The New Democratic Party (NDP), the social-democratic ally of the CLC, has constantly attacked Trudeau in the House of Commons for his government's failure to alleviate high unemployment. The NDP considers unemployment, rather than inflation, to be the main economic issue.

The popularity of the ruling Liberal Party is rapidly shrinking. Yet it remains to be seen whether the CLC can mobilize political strength effectively against the Liberals, and in favor of its "Tripartist" scheme.

Weaknesses of the CLC Strategy

The October general strike was a first in Canadian history. And, while it showed the strength of the CLC, it also pointed up some glaring weaknesses.

While it is to the CLC's credit that it mobilized over a million workers, that number represents only half of its own membership, and a smaller percentage of the total workforce.

Perhaps more important is that the CLC has not done any further organizing among the rank and file. The CLC does not have a strong organization which can reach directly into the workplaces. The social-democratic leadership of the CLC seems to have stifled a growing militancy among the rank and file and instead is pursuing further meetings with the government in an attempt to persuade it to accept the CLC's concept of tripartism.

At least some observers and organizers sympathetic to the trade union movement have criticized the  
(CONTINUED ON THE INSIDE FRONT COVER)

NEW EVIDENCE REVEALS BANKS FORCED  
CITY FINANCIAL CRISIS:  
"N.Y.C. DIDN'T JUMP; IT WAS PUSHED"

More than two years after it actually began, the collapse of New York's fiscal collapse is beginning to seep out. During the critical six-month period between October 1974 and March 1975, the city's biggest banks, with Chase Manhattan in the lead, secretly 'dumped' approximately \$2.3 billion in city securities, which they owned, on the municipal bond market. This sudden dump set off a panic among municipal investors. As a result, the city was barred from capital markets--perhaps for decades. New York City didn't jump; it was pushed."

--Jack Newfield and Paul Du Brul,  
The Village Voice, November 22, 1976.

NEW YORK (LNS)--Two New York City investigative reporters are blowing the top off the biggest story to hit this city in decades. Most New Yorkers know the banks have profited off the high interest loans the city's budget is propped up on. They know that the Municipal Assistance Corporation and the Emergency Financial Control Board--monsters created to "solve" the fiscal crisis--have effectively put bankers at the helm of the city.

But one could only have suspected that the banks actually tipped off the crisis which has resulted in thousands of layoffs and catastrophic cuts in social services.

Reporters Jack Newfield and Paul Du Brul explain in the November 22 issue of the Village Voice that for the past four years they have been researching material for a book on the corporate powers "who control most of the important decisions in this bleeding city."

"In the course of researching the book, we had come across the story of the big banks' covert dumping of city paper, and the crucial role the dumping played in precipitating the fiscal crisis."

Newfield and Du Brul report that between October of 1974 and March of 1975, some \$2.3 billion in city securities were put up for sale by Chase Manhattan, Citibank, Morgan Guaranty Trust, the Bank of America and others. The economic depression that had begun in early 1974 was reaching new depths. Chase Manhattan, for one, was faltering: business borrowing down, loans gone bad, Nelson Rockefeller no longer governor, his Urban Development Corporation on the road to bankruptcy.

So, write Newfield and Du Brul, "David Rockefeller (the president of Chase) forgot the thousand pious speeches he had made on the responsibility of the bank to be a 'good corporate citizen.' He decided to protect the bank and forget New York. In a few months, Chase alone unloaded more than \$1 billion in paper they knew was becoming worthless on unsuspecting customers, many of whom invested their life's savings."

City Comptroller Harrison Goldin admitted that he had "suspicions" that the bank was bailing out on the city as early as the summer of 1974, but said nothing publicly because he felt the information was not conclusive. He did, however, let his fellow members of the Board of Estimates, the mayor, the City Council president and the five borough presidents in

on the news. But no one made a public peep.

Some city officials had made public attacks on the banks, but these were primarily because of the high rates of interest the banks were charging the city. "What the bank critics failed to understand," write Newfield and Du Brul, "was that this was no elaborate scam to grab a few million dollars in additional interest payments out of the city; the banks were simply trying to get clear, in case the worsening depression brought the whole paper house of public and private debt crashing down."

Banks Stonewall Investigations

In late 1975, two government agencies began to sniff around the city's crisis: the Securities and Exchange Commission and the state legislature's Office of Oversight and Analysis, headed by former investigative reporter Bill Haddad.

Immediately the investigators were treated to bank stonewalling, and told they would endanger the important negotiations being conducted to keep the city and state solvent. One SEC lawyer, say the Voice reporters, received a conference call at his home on a Friday night last spring from several bank lawyers who threatened that if he continued to press his subpoena for the appearance of a high bank official, he would be personally responsible for "flushing New York State down the drain."

In addition, the city government seemingly tried to cover for the banks by issuing a suit against the SEC challenging their right to conduct an investigation concerning municipal--rather than corporate--securities.

Haddad's state investigators came up against the same stone wall. The most important information the banks refused to reveal were day-to-day records of their municipal securities sales during the period in question. They claimed that such information would blow their position with competing banks, but even after Haddad offered to allow the banks to remove their names from the figures, they still refused.

Just at this time, another investigation, this time the House Subcommittee on Commerce, Consumer and Monetary Affairs in Washington, was looking into the banks' affect on the "fiscal condition of our cities." The subcommittee sent letters to 10 major New York City banks requesting the same day-to-day municipal securities sales. Eight banks refused to comply.

One bank, Marine Midland, complied in full. "But then," remarked Newfield and Du Brul, "Marine Midland had nothing to hide. Its' holdings of city obligations had remained relatively constant throughout the period..."

Morgan Guaranty reported promptly, but not in full. Still, their information was interesting. Senior Vice-President Boris S. Berkovitch listed quarterly holdings of all state and municipal securities, without noting how much represented New York City or state. The figures showed that the bank had sold \$112 million--about 12% of its total municipal holdings--within the six month period in question. No "sell-off" of equivalent size had occurred since 1972.

continued...

## WHY THE BANKS LIKE CITY BONDS

Traditionally the large banks buy and resell about half of all the municipal bonds sold in the nation. These bonds are exempt from federal taxes and are also exempt from state and local taxes if the bank is headquartered within the city or state offering the bonds. They are a good deal for the banks and the major reason that taxes paid by banks have been among the lowest in the nation.

In 1974, for instance, the 10 largest bank-holding companies paid on the average only 2% in federal taxes on worldwide earnings of \$2 billion. The 10 were: Bank of America, Citicorp, Chase Manhattan, J.P. Morgan, Manufacturers Hanover, Chemical New York, Bankers Trust, Continental Illinois, Security Pacific, and Wells Fargo. Chase and Chemical had so many tax exemptions that they actually received tax rebates on profits of \$235.5 million and \$97 million respectively.

In recent years, however, the banks have used other loopholes and shelters that have made them less dependent on municipals. The major loophole allows them to write off foreign taxes, dollar for dollar, against their U.S. tax liabilities. Foreign operations now make up a sizable portion of bank profits abroad. This is a radical turnabout in only five years. In 1970, Chase earned \$109 million from domestic operations and only \$30 million from foreign operations. In 1975, the figures were \$56 million domestic and \$104 million foreign.

Bank claims that they are withdrawing from the municipal market are seriously misleading, however. Their participation ebbs and flows in relation to a number of factors, especially the intensity of corporate demand for loans and the amount of profits which the banks want to protect from taxes.

--J. N. & P. B.

Village Voice, November 22, 1976

## The Scenario Unveiled

Even though all the details were not yet in place, Haddad laid out the whole scenario in a July 6 confidential memorandum to the chairman of the state's Assembly Banking Committee.

As you may recall, the process of the inquiry was carried on the following chronological steps:

The political changes in Albany, Rockefeller's departure and Wilson's inability to win the election, caused the banks to review their portfolios. The Urban Development Corporation crisis was in the air already, and, with their protection already removed, they were exposed.

They began to rapidly and quietly and perhaps improperly and illegally unload their New York City bonds and thus, saturated the market. (emphasis in the original) You recall, they claim the market was saturated and, hence, they could not sell their bonds. This seems to be untrue. In fact, it appears that Chase unloaded \$2 billion worth of bonds

in a very short time!

Here is where the situation gets sticky for the banks. They had knowledge of problems ahead, but they kept this knowledge to themselves while unloading their portfolio on others. They created the panic by their heavy sales. There are many examples of poor, little people being crushed by this fraud...

In short...they not only created the panic, but profited from it.

3 When the banks saturated the market with their own paper, they turned to the state and the city and shouted 'Help.' The market, they said, was flooded and they could not sell their bonds. This, in turn, led to us bailing them out (a reference to the formation of the Municipal Assistance Corporation) and to higher interest rates for every municipality in the country. It led to the Emergency Financial Control Board and a substantial portion of the enormous debt service we are now carrying (about 20% of the city's current expense budget goes to the banks for interest).

Newfield and Du Brul report that the Assembly Committee will soon begin issuing subpoenas to the banks for the records which they have so far managed to keep from the public. The banks have even had some success in keeping the story out of the news. On October 20, the New York Times ran a one column article about the SEC's investigation of the bank dumping. A Chase Manhattan official bragged to Newfield and Du Brul that the bank was able to bump the story from page 1 to, literally, the obituary page.

"It is our judgment that the banks, with Chase in the lead, are largely to blame for the last year and a half of pain in New York," conclude Newfield and Du Brul. "The real outrage is that the fate of almost eight million people should depend so fundamentally on the decisions made by a dozen unelected unaccountable white men who control the major banks."

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## UNION PROTESTS 'BIG BROTHER' SURVEILLANCE TACTIC

TORONTO (CUP/INS)--Canadian textile union officials have taken their fight against closed-circuit television monitors at Puretex Knitting Ltd. to the Ontario Human Rights Commission. They argue that the surveillance system violates the dignity and invades the privacy of workers.

The company has installed nine viewing monitors in the president's office scanning inside and outside the building, so he can make sure the 200 workers, mostly low-paid, immigrant women, are working.

"It is necessary," says Puretex president, Gary Satok. "Psychologically, they feel they are being watched. And I can sit at my desk and cover 100,000 square feet and know my company is running the way it should."

"I've got to see where my people are all day," he continued. "I don't have time to waste fooling around. How the hell am I supposed to run this place unless I know everyone is doing their job?"

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For the editors: This article was sent to LNS by a leading magazine in Washington D.C. It is too long for length by LNS)

## PLAN MERCURIO: ROUND UP FOR POLITICAL EXILES

by Philip Wheaton

WASHINGTON D.C. (CounterSpy/LNS)--The demise of democracy in the Southern Cone countries of Latin America is now complete: first Bolivia went right, then Chile, Peru, Argentina and Uruguay. The popular forces did not give up easily; indeed, many are still fighting for democracy from their particular undergrounds.

But the extreme repression and, in certain countries, openly fascist torture and terror have forced thousands of students, populists, trade union leaders and Christians, as well as professed Marxists and opposition political party members to flee from their homelands--first from Bolivia, Uruguay and Brazil into Chile; then, after the Chilean coup in September, 1973, from Chile, Bolivia, Uruguay and Paraguay into Argentina, which, under Juan Peron, seemed to provide a temporary sanctuary. But when Peron died, Isabel Peron's top aide, Jose Lopez-Rega--assisted by a semi-governmental fascist organization, the Argentine Anti-Communist Alliance (AAA)--quickly closed off that breathing space.

By early 1974 officials of the military regimes throughout the Southern Cone realized they had a good segment of the hearts and the minds of Latin America's left trapped in Buenos Aires and other Argentine cities. As Rear Admiral Cesar Guzzetti, the Foreign Minister of Argentina said, "The revolutionary war is concentrated in Argentina because the subversives were forced out of the neighboring countries and came here."

Details of collusion between Uruguayan and Argentine officials in order to deal with these "subversives" recently came to light with the escape on September 1, 1976 of an Uruguayan refugee from Argentina to Sweden--Washington Perez, a militant worker.

In extensive testimony taped in Alvesta, Sweden that day, Washington Perez relates that at 4 a.m. on June 13, 1976, he was taken from his house in Moron, Argentina in the custody of "heavily armed men who identified themselves as Uruguayans and Argentines, stating they wanted me to go see someone (his close friend Gerard Gatti, a political refugee in Argentina who was arrested, tortured and later murdered) and that they had nothing against me. I was able to identify them with absolute certainty: Commissioner Campos Hermida of the Uruguayan Police (and) Colonel Barricos and Captain Bermudez of the Uruguayan military...with Inspector Castiglioni of the Intelligence..."

In one of the brief private conversations they allowed Perez with Gatti, Perez recounts: "I told Gerard if these officials weren't the same ones who had kidnapped and assassinated Senator(s) Michelini and Gutierrez (two Uruguayan refugees abducted in May, 1976) and we agreed they were."

These "subversives" are only a few of some 30 Uruguayans who disappeared from Buenos Aires between April and July, 1976. More ominous has

been the increasing number of bodies of Uruguayan leftists found on the shores of the River Plata and on back roads near Buenos Aires--most of them horribly mutilated, clearly tortured prior to being murdered.

### Father Learns of Argentine-Uruguayan Agreement

It was not until July 11, 1976 that Argentina's official complicity with the kidnappings, torture and political assassinations was revealed as part of an official agreement between Uruguayan and Argentine authorities. On that day, a letter was received by the President of Amnesty International from the father of one of the young Uruguayans who had disappeared in Buenos Aires.

In the letter, the father describes his desperate attempt to find his son by appealing to the Argentine courts, military and police authorities, and by approaching lawyers who refused to take his case for fear of reprisal. He then writes:

*"In the midst of our anguish and sense of desperation given the probable death of my son, we write to you in a desperate attempt, after all other efforts with the responsible Uruguayan and Argentine authorities have failed.*

*"My son disappeared in Buenos Aires on July 2, (1976) with no word as to his whereabouts until now..."*

Only after paying a huge sum of money to an influential lawyer who had police connections did the father gain access to what little information the lawyer relayed from police sources:

*"As far as the Argentine Secret Service is concerned, they claim they cannot be held directly responsible for what happens to any Uruguayans since they are being directly dealt with by the Intelligence Service of the Uruguayan Armed Forces, who have been operating officially in Argentina for several months..."*

*"At this time, it would be impossible to negotiate the freedom or guarantee the life of our son, since there is now underway a so-called Plan Mercurio, whose purpose is to eliminate all Uruguayan leftists in both countries. This plan has the official support of the political-military authorities in both countries."*

*"This lawyer, the account continues, "made reference to the existence of lists of names and photographs, each one with a prescribed punishment inscribed in the upper part of the photo, including a cross for those who had already been condemned to death. This is a confirmation...of the rumors that had been widely circulated in Buenos Aires for some time (about the existence of a plan for the physical elimination of all Uruguayan 'leftists' living in Buenos Aires)."*

*"Mr. President of Amnesty International, if this letter reaches you, I beg you with all the energy and anguish a father in my situation can have, to do everything in your power to intervene in this matter. In this regard, we believe that the public knowledge of these happenings is the only thing that can save our son, and if this is not possible, that it may help save the other Uruguayans who are in mortal danger in Argentina at this moment."*

*"Given the fact that after this letter is sent out, our own lives will be in danger also, I ask that you use the greatest possible discretion with respect to my identity. At the same time, I am enclosing a photo-*

*more...*

... the appeal for habeas corpus which I made  
... the appearance of my son.

signed "A father"

Neoliberal Plans: Tools of a New Brand  
of Latin American Regime

Plan Mercorio is more than a unique case reflecting the extremism of the present Uruguayan military junta, in collusion with Argentine authorities. It must be viewed within the context of a larger plan--one which involves U.S. intentions to contain hemispheric "uprisings" even if these are indigenous and pro-democratic, as well as the intentions of Latin American military leaders to remain in power indefinitely.

Programs such as Plan Mercorio are appearing in more and more countries. One example is the Banzer Plan in Bolivia, aimed at crushing the progressive elements in the Bolivian Catholic Church. Another is the "Godfather" of them all, Brazil's Esquadra da Morte (Death Squadron) whose goal was and still is the systematic elimination of all "undesirables", social or political, from Brazilian society.

All these *operaciones* are the sophisticated instrumentalities of a new kind of regime that has evolved in Latin America--the highly regimented and integrated "national security state". These new military governments are not led by old-style, individual generalissimos, but by military tribunals.

Significantly, these self-perpetuating military systems provide an "open door" policy to multinational corporations. Because of that they are looked on favorably by U.S. interests. U.S. leaders demand free access by U.S. corporations into Latin American countries to exploit national resources and local markets, and if militaristic national security states are the only way to secure these priorities, "so be it."

The "instability" of Latin American democracy and popular movements have led to an operational, if not an official policy, of support by the U.S. government for these military regimes as the new model for Latin American politics.

--30--

*Philip Wheaton is the co-director of the Ecumenical Program for Interamerican Communication and Action in Washington, D.C., and is a contributing editor to CounterSpy.*

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NO ONE

CAN STOP THE RAIN

Here in prison  
rage contained in my breast  
I patiently wait  
for the clouds to gather  
blown by the wind of history

No one  
can stop the rain

--from "Here in Prison"

by Agostinho Neto  
Portuguese Prison  
Luanda, July 1960

CHILE RELEASES 300 PRISONERS IN PROPAGANDA MOVE:  
"A DROP IN THE SEA"

NEW YORK (LNS)--The Chilean government announced November 16 the release of some 300 political prisoners who have been held without trial under the country's state of siege.

The announcement, which still leaves an estimated 6,000 political prisoners in Chile, comes shortly before the United Nations Economic and Social Council's vote on a resolution condemning Chile's violations of human rights. Many observers feel that the junta's move was aimed at influencing this vote.

"It is a drop in the sea," said Isabel Letelier, widow of Orlando Letelier, the Chilean exile leader who was assassinated in Washington September 21. "I am glad for those who have been released. But it makes me furious the way they use these prisoners to improve their image every time things are difficult. What about the others?"

The junta claims that the 300 released prisoners represent the total held without trial under the country's state of siege. But according to Amnesty International, an international organization which investigates violations of human rights around the world, the releases affect only those detainees held in three officially recognized camps--Tres Alamos, Cuatro Alamos and Puchuncavi.

An October U.N. report states that Chilean prisons are actually holding an estimated 6000 persons:

\*\*3000 people convicted by military tribunals--under which the accused have no constitutional rights

\*\*900 people "in the process of being tried"--in other words charged but awaiting trial

\*\*and between 1000-2000 people who have officially "disappeared" since being arrested.

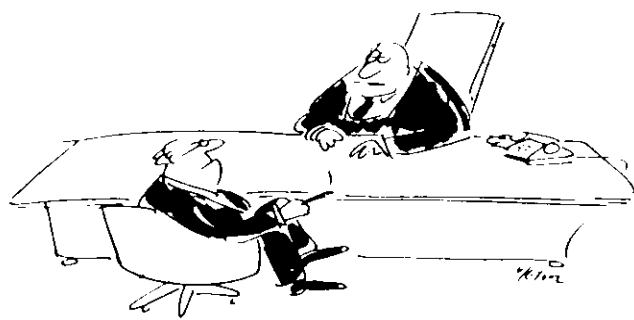
Numerous eye-witness accounts indicate that Chilean authorities are responsible for these "disappearances," though the Chilean has consistently denied any knowledge of their whereabouts.

And the official reports of "disappearances" are becoming more common. In January, 1976 five per cent of those arrested were reported as having "disappeared." In August, the Vicaria De La Solidaridad, an organization of the Roman Catholic Church in Chile, reported that this figure had grown to 57 per cent.

The junta has released prisoners before, most notably during the visit of U.S. Treasury Secretary William Simon last May. Of the 49 released at that time, some had already been cleared, and several of them were in fact living in the United States. On September 11, 205 were set free in observance of the third anniversary of the bloody military coup by which the junta took power. Since the coup over 100,000 people have passed through the junta's prisons.

The Chilean generals have done nothing to lift the state of siege which permits them to rule by decree and suspend the constitutional rights of citizens. Nor has it taken any steps to eliminate its infamous secret police (DINA) which Chilean exiles say operates all over the world.

"I really hope," said William Wipfler, director of the Latin American mission of the National Council of Churches, "that just because a group of people who were being held without trial are being released, the focus will not be taken off those who are still there." -30-



"Before God made profits, he made production and before production he made capital. So be it."



TOP RIGHT CREDIT: Peg Averill/LNS

TOP LEFT: Prisoners on Dawson Island in  
Chile.

CREDIT: Robert Fuhr (GDR)/World Magazine/  
LNS

SEE PAGE 8 FOR STORY.

MIDDLE LEFT: Capitalism.

CREDIT: the Guardian/LNS.

BOITOM: The caption on this photo from the October 1920 issue  
of National Geographic read: *"Friends and families waiting at the  
the mouth of a mine after an explosion. Fellow workmen are  
engaged in a feverish attempt to rescue the imprisoned miners,  
while the feelings of the waiting ones are mirrored in their  
faces."* The photo was taken by the U.S. Bureau of Mines.

TO GO WITH STORY PAGE 1



\*\*\* FEATURE PAGE OF PHOTOS TAKEN NEAR CONEY ISLAND, BROOKLYN, N.Y. \*\*\*

COULD GO WITH STORY PAGE 5 ABOUT N.Y.C CRISIS

TOP RIGHT CREDIT: Cidne Hart/LNS.

TOP LEFT CREDIT: Cidne Hart/LNS.

BOTTOM RIGHT CREDIT: Cidne Hart/LNS.

BOTTOM LEFT CREDIT: LNS Women's Graphics.